Malpractices in Issue of Shares

3746. SHRI V. NARAYANASAMY: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that the companies coming out with public issues are resorting to a large scale manipulations in allotment of shares in collusion with the Registrar to these issues; and

(b) what is the role of SEBI in preventing such malpractices?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI RAMESHWAR THAKUR): (a) and (b) The Securities and Exchange Board of India (SEBI) has informed that they have ddected one case where the promoters of the company, alongwith the Registrars, appear to have manipulated the allotment of shares. Accordingly SEBI has instructed the lead managers and the promoters of this company to again work out the basis of allotment. After registration of the Registrars to the Issue with SEBI under the provisions of the SEBI Act 1992, they will be able to more effectively monitor the activities of the Registrars to the Issues.

Loss to local electronic industries

3747. SHRI V. NARAYANASAMY: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that reduction in import duty on electronic goods has made the local electronic industry to lose Rs. 1,000 crore of foreign market; and

(b) if so, whether the Government have received any representation from the electronic industry for giving concessions to these industries to boost up the exports?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI RAMESHWAR THAKUR): (a) and (b) The question is not specific as to the items in respect of which the information is sought. The finshed electronic consumer goods were generally attrating basic plus auxiliary customs duty at tariff rate rate of 150 per cent, prior to Budget 92, and their imports were restricted in terms of the then prevalent Export and Import Policy. With effect from 1-3-92, the said goods, attract the peak rate (basic + aux.) of 110% and their imports are not permitted except against a licence or in accordance with a public notice issued by the Min. of Commerce. Thus adequate protection to domestic industry against the inflow of imported consumer electronic goods is available and any loss in export market on account of the reduction does not arise. So far as import duty on raw materials, piece parts and electronic components are concerned, in Budget '92 and changes thereafter, a general reduction of import duty (basic plus auxiliary duty rates) was carried out for specified raw materials, specified piece parts and specified components by 10 percentage points respectively from 50% to 40 per cent, 70 per cent to 60 per cent and 90 per cent to 80 per cent. This reduction in import duty would make the indigenous electronics industry more competitive in the international market. The Government have not received any representation stating that duty reduction has affected the exports of electronics industry.

Trade in exim scripts by fair growth Finance Services

3748. SHRI INDER KUMAR GUJRAL: Will the Minister of FINANCE be pleased to state:

(a) whether the Fair Growth Finance Services or any of its associate Companies or Directors have been trading in the Exim Scripts; and

(b) if so, what is the profit declared by them from this particular activity?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI DALBIR SINGH): (a) and (b) Information is being collected and to the extent available, will be laid on the Table of the House.